

CHAPTER 10-000 MEDICARE PRESCRIPTION DRUG BENEFIT PROGRAM: Section 101 of Title I of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173) established Part D, the Voluntary Prescription Drug Benefit Program which added a prescription drug benefit to Medicare. To be eligible to enroll in Part D, the individual must be entitled to Medicare benefits under Part A (Hospital) or enrolled in Part B (Physician). The prescription drug coverage is provided under private prescription drug plans (PDP) or Medicare Advantage prescription drug plans (MA-PD). This coverage is effective beginning January 1, 2006.

Clients who are eligible for or enrolled in Part D Medicare prescription drug benefits are only eligible for limited Medicaid prescription drug coverage, see 471 NAC 16-003 or 471 NAC 16-004.01.

10-001 Low Income Subsidy (LIS) Assistance: Medicare Part D beneficiaries who submit an application and meet certain income and asset requirements may qualify for low income subsidy assistance with cost sharing and premiums. The two Medicare low income subsidy groups are:

1. Medicare individuals with income below 135% FPL and resources below the designated resource level for an individual or a couple. The eligible individuals pay:
  - a. No premium if their premium is equal to the low-income benchmark premium for Nebraska;
  - b. No deductibles;
  - c. Copayments; and
  - d. No copayments after the individual spends the required amount in cost sharing; and
2. Medicare individuals with income below 150% FPL and resources below the designated resource level for an individual or a couple. The eligible individuals pay a:
  - a. Sliding-scale premium;
  - b. Deductible;
  - c. 15% coinsurance up to the established limit in total spending; and
  - d. Copayments.

10-001.01 Income and Resource Requirements: The methodology used to determine income and resource eligibility of the two LIS groups is the same as the Supplemental Security Income and Aid to the Aged, Blind, or Disabled Programs (see Title 469, Chapters 1 through 4), with the following exceptions:

1. Household definition: For the LIS groups, a household (unit) includes an applicant and his/her spouse living in the same household, and individuals related to the applicant living in the household who are dependent on the applicant for 50 percent of their support. (This definition differs from the SSI/AABD definition which would include only a spouse and dependent children [see 469 NAC 2-006.01 and 2-006.02]).
2. Resources: For the LIS groups, the resource test is based on liquid assets (convertible to cash within 20 days). (All available resources are used to determine eligibility in SSI/AABD [see 469 NAC 2-009.02]).
3. Automobiles: For the LIS groups, all automobiles are excluded. (For SSI/AABD eligibility, one motor vehicle per unit is excluded per 469 NAC 2-009.07B7.)
4. Health Insurance Deduction: For the LIS groups, health insurance premiums are not deducted from income. (Health insurance premiums are deducted from income in determining AABD/MA only eligibility per 469 NAC 4-006.01A).

5. Guardian or Conservator Fee: For the LIS groups, a guardian or conservator fee is not allowed. (Guardian or conservator expenses as paid up to a maximum of \$10 a month are deducted from income for AABD/MA cases [see 469 NAC 4-006.01B]).